



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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June 20, 1997

James W. Goddard, Ph.D.
RR #5, Box 34A
Lake Eufaula, Oklahoma 74432

Re: Deficient Notice of Intention to Commence Exploration Activities, Golden Empire Ltd.,
Golden Empire #1 Project, E/037/093 (ML-47330), San Juan County, Utah

Dear Mr. Goddard:

Thank you for your notice, received by the Division June 13, 1997, concerning Golden Empire Ltd.'s proposed Golden Empire #1 exploration project located in the SE1/4 of Section 2, T30S, R22E, SLBM, San Juan County, Utah. The letter does not satisfy the notice requirements of Rule R647-2 of the Utah Mined Land Reclamation Act of 1975, Title 40-8, et seq., Utah Code Annotated.

The following information is required:

- The project description section of the exploration notice form states the total disturbance will be less than five acres. The drawing in Attachment #2 of the narrative description shows an affected area of approximately 660 feet by 290 feet, or 4.39 acres. Test site #16 is not shown on this drawing and would add approximately 0.63 acres for a combined total disturbance of approximately 5.02 acres. Your proposal does not include an access road because the surface is essentially hard packed. Even though you will not need to "construct" a road, you will probably still require road access to the site, and this area would also be considered disturbed under your notice. This 5.02 acre figure does not include the small amount of access road or the possibility of parking or equipment staging. While the 0.02 acres may not be a significant deviation from the five acre limit, the current proposal contains no allowances for deviations in the proposed disturbances. Please explain why additional areas for road access and parking or equipment staging were not included in the estimated disturbance, or amend the proposal to account for these areas. It is recommended that you revise the proposal to allow a buffer below the five acre limit of surface disturbance.
- The narrative description of the methods to be used describes a sealed combination crushing and amalgamation process. Item f) of the narrative states that no toxic materials or chemicals will be used in the operation. The term "amalgamation" by definition calls for the use of mercury in the extraction process. Please provide more information describing the extractive process and the measures taken in the "sealed" process to prevent mercury or other reagents

Page 2

James W. Goddard, Ph.D.

E/037/093

June 20, 1997

from contaminating the environment. A written description and a schematic or design drawing are preferred. Please do not provide any proprietary information.

We have received a copy of the June 12, 1997, letter from the Trust Lands Administration describing the overlap onto other leases and some of the same concerns mentioned above. Please provide our office with a copy of your response to the Trust Lands Administration.

The Division will suspend review of this proposal until receiving your response to this letter. In reply, please refer to file number E/037/093. Thank you for your cooperation.

Sincerely,

A handwritten signature in black ink, appearing to read "Anthony A. Gallegos". The signature is fluid and cursive, with a large, stylized "G" at the end.

Anthony A. Gallegos
Senior Reclamation Specialist

jb

cc: Tracking File
Will Stokes, SITLA
E037093.def